

THE CREDENTIALS GAME: ALPHABET SOUP OR WITCH'S BREW?

Massachusetts and Nebraska are leading the way in protecting seniors from unskilled financial "advisors." Over the past decade, quickie credentials have been awarded to countless individuals after they completed a few days of study, and achieved 70% on a common sense multiple choice test. You and I probably devoted more time to passing our drivers' tests when we were sixteen years old!

Major insurance and annuity companies have been happy to hire 'newly-minted' counselors - read that as salesmen - to drum up business. Retirees and seniors receive fliers in their homes that tout assistance by a certified senior advisor, certified retirement adviser, or perhaps a certified retirement counselor - to name but a few inventive designations. Acronyms such as CSA, CRFA, and CRC were added to the salesmen's names to convey the message of expertise. Sadly, the bottom line has been to target the unknowing for product sales.

There is a moral to this story that goes far beyond seniors. Pragmatically, love of our families and good health probably head the list of what is important to us. Concern about our financial resources could be next in line. Being effective stewards of our money helps us stay in the driver's seat as we seek to enjoy our Founding Fathers' aspiration - life, liberty and the pursuit of happiness. Let's face it - a successful financial life is at the core of the American dream.

Where *can* you turn for competent financial help? I believe consumers first line of defense is the Certified Financial Planner Board of Standards. As our need for *individual* professional financial assistance emerged in the second half of the 20th century, so did the Certified Financial Planner Board of Standards respond by providing the requisite leadership.

I recommend you visit www.cfpboard.org to begin your search for financial expertise. A paragraph in the center of their home page references a recent Sunday New York Times front page article:

"Individuals authorized by the CFP Board to call themselves CFP® professionals have completed the established and rigorous education, examination, experience, and ethical requirement of the CFP® certification

process.” Later in the article, a description of the rigorous process explains: “Applicants must have a college degree and a minimum of three years of work experience as a financial adviser. CFP® practitioners complete a two – three year training program and pass a 10-hour Board exam.”

Click on *Learn About Financial Planning* in the upper left hand corner of the home page. Links 6 and 10 on the left hand menu of the subsequent page offer consumers objective information regarding: *How to Choose a Financial Planner*, and *Terminology and Credentials*. If you are considering hiring an advisor, *How to Choose a Financial Planner* may serve as a useful guide. *Terminology and Credentials* helps de-mystify a variety of legitimate credentials.

Readers who currently contribute to employer-sponsored retirement plans may believe this ‘homework’ doesn’t apply to them – at least not yet. Because the Pension Act of 2006 now permits your 401(k) provider to offer advice, opportunities have increased for product experts to inadvertently make naive recommendations that *may not* serve your unique personal and family needs. My years of experience have shown that working with an ethical, experienced, qualified financial expert is beneficial for each generation.

Massachusetts and Nebraska now prohibit the use of credentials and professional designations that use words such as “senior,” “retirement,” “elder” in combination with terms like “certified,” “advisor,” or “specialist.” You may want to have a conversation with the seniors you love, to be certain they are not being solicited by pseudo-experts. Consider this column a prompt to back-test your own financial partners, to ensure that your team is what you and your family need.

I look forward to your e-mails: joslyn@entrustfinancial.com

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